

2005-2006 INCENTIVE PLAN - SENIOR INVESTMENT OFFICER, GLOBAL EQUITIES (Wood)

Quantitative Performance Measures

Weight	Factor	Performance Measure	Incentive Schedule	2nd Quarter Status Report
65%	Global Equity	Return deviation in basis points relative to Global Equity performance benchmark (GLOBLIC – CPERSGE)	> - 50 basis points = 0 > - 10 basis points = 1.0 > + 15 basis points = 1.5	+ 13 bps [9.92 – 9.79]
5%	Absolute Return Strategies	Return Relative to Program Benchmark (SNLCA1 – CPERHEDG or CPERHEDG2)	>+ 0 basis points = 0 >+ 50 basis points = 1.0 >+ 100 basis points = 1.5	+238 bps [6.16 – 3.78]
2.5%	Corporate Governance External	Excess return of CalPERS' external managers under the oversight of the Corporate Governance PM relative to their respective benchmarks. Governance funds asset weighted by invested capital. (SN6KA1 – CPERSECG or CPERSEC2).	>+75 basis points = 0 >+175 basis points = 1.0 >+275 basis points = 1.5	-531 bps [12.94 – 18.25]
2.5%	Corporate Governance Internal	Excess return of CalPERS Internal Relational Portfolio compared to the Wilshire 2500 (SW8B - \$Y082)	> 0 basis points = 0 >+100 basis points = 1.0 >+200 basis points = 1.5	-132 bps [4.83 – 6.15]
10%	Total Fund	Excess return in basis points relative to total fund performance benchmark (SJ1C – CPERSTOT or CPERSTO2).	> -40 basis points = 0 > 0 basis points = 1.0 >+20 basis points = 1.5	+94 bps [7.59 – 6.65]
85%	Subtotal	Quantitative Measures		

Qualitative Performance Measures

Weight	Factor	Performance Measure		2nd Quarter Status Report
5%	Strategic Plan for Global Equity	Gain Investment Committee approval of Global Equity Plan by June 30, 2006.	From schedule	On schedule
5%	Enterprise Diversity	Implement all elements of the enterprise wide diversity plan that relate to the responsibilities of the investment office by June 30, 2006.	From schedule	On schedule
5%	Environmental Investing	Fund at least two environmental / sustainable investment managers by March 31, 2006.	From schedule	Ahead of schedule
15%	Subtotal	Qualitative Measures		
100%	Total	Quantitative and Qualitative Measures		

Supervisor's Approval: Original signed by Anne Stausboll

Date: January 25, 2006